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Companies Announcements Office
Australian Stock Exchange Limited

Japan - Sumitomo 3M Memorandum of Understanding

Aeris Technologies is very pleased to advise that it has come to a significant agreement with Sumitomo 3M Limited for the exclusive distribution and marketing of the complete range of Aeris products in Japan and the parties have now signed a memorandum of understanding (MOU).

Sumitomo 3M Limited is a subsidiary of 3M, a leading Fortune 500 company. Sumitomo 3M has over 2000 employees in Japan and enjoys a strong position in several of the markets that the Aeris products address. The signing of the MOU follows extensive independent validation of the market opportunity by Sumitomo 3M Limited over the past 5 months including the completion of a number of demonstrations with key customer groups in Tokyo.

Japan is the second largest heating, ventilation and air-conditioning (HVAC) market in the world and represents an outstanding opportunity for Aeris' complete product portfolio due to a major focus on energy saving and a parallel heightened concern for human health and safety. It is envisaged that Sumitomo 3M will commence commercial activity with the Aeris range in late 2005 and will move to a full national launch in 2006.

As previously announced Aeris has received confirmation that the complete range of the Company's products can be marketed in Japan without any additional regulatory requirements. Sumitomo 3M brings a complete coverage and intimate knowledge of the Japanese market to the successful launch of Aeris in Japan and provides a partner with a strong technical capability well aligned with Aeris' requirements.

Yours sincerely

A handwritten signature in black ink, appearing to read "M. Stang", with a large, stylized flourish extending from the end of the signature.

Maurie Stang
Chairman

